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**Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations**

**Financing of the United Nations Mission in Sierra Leone**

# Proposed budget for the period from 1 July 2005 to 30 June 2006 of the United Nations Mission in Sierra Leone and financial performance report for the period from 1 July 2003 to 30 June 2004

## Report of the Advisory Committee on Administrative and Budgetary Questions

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|---|---|
| Appropriation 2003/04 (4 April-30 June 2004) | $520,053,600 |
| Expenditure 2003/04 (4 April-30 June 2004) | $448,734,400 |
| Appropriation 2004/05 | $291,603,600 |
| Proposal submitted by the Secretary-General 2005/06 | $107,159,700 |
| Recommendation of the Advisory Committee 2005/06 | $107,159,700 |

## I. Introduction

1. **The Advisory Committee on Administrative and Budgetary Questions recommends approval of the full amount proposed by the Secretary-General for the United Nations Mission in Sierra Leone (UNAMSIL) for the period from 1 July 2005 to 30 June 2006.**

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2. The Advisory Committee's general report on the administrative and budgetary aspects of the financing of the United Nations peacekeeping operations (A/59/736) contains its views and recommendations on a number of cross-cutting issues. Consequently, in the paragraphs below, the Committee deals with resources and other items that relate specifically to UNAMSIL.

3. The documents used by the Advisory Committee in its consideration of the financing of UNAMSIL are listed at the end of the present report.

## II. Financial performance report for the period from 1 July 2003 to 30 June 2004

4. On the recommendation of the Advisory Committee, the General Assembly, in its resolution 57/291 B of 18 June 2003, appropriated the amount of $520,053,600 gross ($514,171,200 net) for the period from 1 July 2003 to 30 June 2004 for the maintenance of the Mission, exclusive of the support account and the United Nations Logistics Base at Brindisi, Italy. In the same resolution, the Assembly apportioned the amount of $486 million for the maintenance of the Mission for the period from 1 July 2003 to 30 June 2004, exclusive of the support account and the Logistics Base. The reduced apportionment had been recommended by the Committee, taking into account the cost reductions, amounting to some $34 million, entailed by the drawdown outlined in the Secretary-General's report (S/2003/321, paras. 11 and 12). The Committee notes that the actual expenditure for the 2003/04 period amounted to $448,734,400, $71,319,200 lower than the appropriation and $37,265,600 less than the apportionment.

5. The unencumbered balance of $71,319,200 gross ($71,476,000 net) reflects a budget implementation rate of 86.3 per cent, representing overall underexpenditure of $47,707,800 (15.2 per cent) under military and police personnel and $30,388,200 (19.2 per cent) under operational costs and a cost overrun of $6,776,800 (14.3 per cent) under civilian personnel.

6. Under military and police personnel, the Advisory Committee notes that the savings realized were attributable to the lower actual average troop strength of 11,491 compared to the budgeted 12-month average of 12,740 and the associated reduced requirements for standard troop cost reimbursement, rotation and repatriation of military contingent personnel, rations, recreational leave, daily allowance for troops and contingent-owned equipment. The low incidence of death and disability cases contributed to further savings, with an unutilized balance of $4,076,000 (80 per cent) budgeted for compensation.

7. For civilian police, the actual average number deployed was 126 against a budgeted 12-month average of 154. The lower actual average troop and police strength was a consequence of the implementation of the faster pace for drawdown and withdrawal of troops by December 2004, in accordance with the four-stage modified status-quo option endorsed by the Security Council in its resolution 1492 (2003) of 18 July 2003, instead of the original plan for downsizing the Mission, outlined in the report of the Secretary-General of 5 September 2002 (S/2002/987), on the basis of which the budget had been prepared.

8. Concerning civilian personnel, the actual requirements for international staff were 15.7 per cent, or $6,088,300 higher than budgeted. The Advisory Committee

notes that this steep increase was chiefly due to the conversion of 120 staff members from the 300 series to the 100 series, as well as the lower than budgeted vacancy rate (13.7 per cent versus 20 per cent) and additional costs for repatriation and transfer of staff to other peacekeeping missions. **The Committee notes that the conversion of 300 series to 100 series staff had significant financial implications even though the exact cost was not presented. It requests that the detailed, actual cost of this conversion be established in a fully transparent manner and be presented in the relevant budgets.**

9. Concerning United Nations Volunteers, the increased requirements of $1,074,500 (22.9 per cent) resulted from an increase in the Volunteer living allowance range from $1,765 to $1,952 effective from 1 March 2004, payment of hazardous allowance for which no provision had been made in the budget, additional costs for the repatriation of 51 United Nations Volunteers and the payment of outstanding invoices pertaining to the previous financial period. As for national staff, savings of 10.3 per cent, or $386,000, were realized owing to the depreciation of the exchange rate of the local currency against the United States dollar.

10. With respect to operational costs, the Advisory Committee notes significant savings under air transportation ($12,626,800, or 20 per cent) owing to favourable contract rates for MI-26 replacement aircraft and renegotiated terms between UNAMSIL and the Sierra Leone Air Authority. Additional savings of $15 million stemmed from the early withdrawal of troops from the theatre of operations and the ensuing reduced operational requirements for military contingents in areas such as facilities and infrastructure ($7,851,900, or 17.7 per cent), medical ($4,921,200, or 32.9 per cent), special equipment ($2,344,700, or 38.0 per cent), ground transportation ($1,750,100, or 23.7 per cent) and communications ($2,585,600, or 16.9 per cent).

11. These savings were partly offset by higher than planned expenditure under consultants ($78,100, or 321.4 per cent), information technology ($1,267,300, or 37.1 per cent) for compliance with Minimum Operating Security Standards and Department of Peacekeeping Operations disaster recovery and business continuity standards, and other supplies, services and equipment ($114,500, or 4.8 per cent).

12. The comments of the Advisory Committee on the information in the performance report on individual objects of expenditure can be found, where relevant, in the discussion of the proposed budget for the period from 1 July 2005 to 30 June 2006 in section IV below.

## III. Information on performance for the current period

13. Rather than including standard statistical data on performance for the current period in each of the individual peacekeeping reports, this time, owing to various constraints, it has been necessary to supply that information in consolidated tables that are annexed to the Advisory Committee's general report on peacekeeping operations (A/59/736). The information to be provided covers the following: (a) expenditure for the current period; (b) current incumbency; (c) status of reimbursement for troop/formed police unit costs, contingent-owned equipment and death and disability; (d) cash position of the missions; and (e) status of contributions.

# IV. Proposed budget for the period from 1 July 2005 to 30 June 2006

## A. Mandate and planned results

14. The Advisory Committee was briefed by the representative of the Secretary-General on the overall security situation in Sierra Leone and the status of the implementation of the drawdown plan endorsed by the Security Council in its resolution 1492 (2003).

15. The Committee was informed that UNAMSIL is downsizing at a more rapid pace than anticipated and that at the present time, the Mission has already concluded its transition to a residual presence in Sierra Leone consisting of 3,250 troops, 141 military observers, 80 civilian police and a civilian component as provided for in Security Council resolution 1537 (2004) of 30 March 2004. The overall security situation has remained calm and stable and in September 2004, the primary responsibility for security throughout the country was transferred to the Government of Sierra Leone. The security situation along the border with Liberia has also improved.

16. The Advisory Committee notes that the proposed budget for the period from 1 July 2005 to 30 June 2006 has been established in two parts: the first covers an initial six-month maintenance period from 1 July 2005 to 31 December 2005 followed by a six-month liquidation phase from 1 January 2006 to 30 June 2006. In order to preserve its capacity for rapid response should any signs of destabilization appear, the Mission will remain fully operational during the maintenance phase, until 31 December, when the last of the contingents and substantive civilian staff will leave Sierra Leone. Consequently, liquidation activities will not begin until sometime in January 2006. Taking into account the best practices and lessons learned from previous liquidating missions, such as the United Nations Mission in Bosnia and Herzegovina, described in the report of the Board of Auditors (A/58/5 (Vol. II, chap. II), the Mission proposes a six-month liquidation period rather than the three-month period envisaged initially.

17. **The Advisory Committee commends UNAMSIL for a well-defined results-based framework for the Mission's final budget period, with a clear, transparent presentation of the objectives and activities related to the two distinct phases for the maintenance and liquidation of the Mission.**

## B. Resource requirements

18. The cost estimates for the 12-month financial period amount to $107,159,700, comprising $89,226,800 (gross), $86,964,900 (net) for the period from 1 July 2005 to 31 December 2005 for the maintenance of the Mission and $17,932,900 (gross), $16,887,000 (net) during the liquidation phase, from 1 January to 30 June 2006. The total amount requested for the 2005/06 period represents a 63.3 per cent decrease ($184.4 million) over the apportionment of $291.6 million for the 2004/05 period.

## 1. Military and police personnel

| Category | Authorized 2004/05[a] | Incumbency[b] | Proposed 2005/06[c] | |
|---|---|---|---|---|
| Military observers | 141 | 139 | 141 | Maintenance[d] |
| | | | 0 | Liquidation[e] |
| Military contingents | 3 750 | 3 414 | 3 250 | Maintenance[d] |
| | | | 0 | Liquidation[e] |
| Civilian police | 80 | 79 | 78 | Maintenance[d] |
| | | | 0 | Liquidation[e] |

[a] Represents planned strength for the third quarter as per deployment schedule for 2004/05.
[b] As at 28 February 2005.
[c] Based on drawdown schedule for maintenance and liquidation phases.
[d] At start of maintenance phase — 1 July 2005.
[e] At start of liquidation phase — 1 January 2006.

19. For the maintenance phase, UNAMSIL proposes an average strength of 2,327 troops, 141 military observers and 68 civilian police at a cost estimate of $36,645,700, taking into account an average deployment of 2,327 contingent personnel over the six-month period from 1 July to 31 December 2005 and a delayed vacancy factor of 5 per cent, based on Mission experience. During the liquidation phase, no provision is made for military and police personnel.

20. The Mission anticipates deployment of all 141 military observers through the entire six months of the maintenance phase and the civilian police starting at a strength of 78 in July 2005 and subsequently reduced to 58 in October until the end of the year. The military contingents will be phased out more gradually, with an initial deployment of 3,250 in July 2005, drawn down to 2,494 in October, 1,238 in November and 482 in December 2006.

## 2. Civilian personnel

| Category | Authorized 2004/05[a] | Incumbency[b] | Proposed 2005/06[c] | |
|---|---|---|---|---|
| International staff | 320 | 244 | 260 | Maintenance[d] |
| | | | 140 | Liquidation[e] |
| National staff | 556 | 517 | 474 | Maintenance[d] |
| | | | 257 | Liquidation[e] |
| United Nations Volunteers | 131 | 104 | 96 | Maintenance[d] |
| | | | 0 | Liquidation[e] |

[a] Represents planned strength for the third quarter as per deployment schedule for 2004/05.
[b] As at 28 February 2005.
[c] Based on drawdown schedule for maintenance and liquidation phases.
[d] At start of maintenance phase — 1 July 2005.
[e] At start of liquidation phase — 1 January 2006.

21. The total cost estimates for civilian personnel amount to $28,165,200, comprised of $19,555,300 for the maintenance phase and $8,609,900 for the liquidation phase, using a delayed vacancy factor of 15 per cent based on Mission

experience. The Mission anticipates 260 international staff at the start of the maintenance phase in July 2005, further reduced to 258 in October 2005, 140 in January 2006 and 119 in April 2006. National staff are also phased down from 474 in July 2005, to 468 in October 2005, 257 in January 2006 and finally 167 in April 2006. It is expected that 96 United Nations Volunteers will be deployed on 1 July 2005. No provision is made for United Nations Volunteers during the liquidation phase.

## 3. Operational costs

22. Concerning the 2003/04 period, the Advisory Committee notes a sharp increase of $359,400, or 40.6 per cent, under rental of premises, owing to the increase of the monthly rent of UNAMSIL headquarters from $42,000 to $82,000. The Committee was informed that efforts had been made to search for alternative facilities and a cost benefit analysis had been carried out. However, short of constructing a new United Nations headquarters, there was no other viable option available and it was decided to continue with the existing arrangement for the remaining duration of the Mission. The Committee notes that for the 2005/06 period, the liquidation plan envisages the closure of certain offices such as the one in Conakry, which should reduce expenditure under rental of premises.

23. The cost estimates for operational costs for the 2005/06 period amount to $42,348,800, encompassing $33,025,800 for the first six months and $9,323,000 for the second half of the period for the liquidation phase, representing a reduction of 56.7 per cent over the expenditure for the current period, in most areas.

24. For the 2005/06 period, the Advisory Committee notes a marked increase of $922,200, or 94.3 per cent, under petrol, oil and lubricants owing to the increase in the market price for fuel from $0.33 to $0.48 per litre. The Mission also anticipates additional requirements for:

- Security services ($7,800, or 3.1 per cent) to protect United Nations staff and assets as military contingents are withdrawn
- Rental of engineering equipment, such as bulldozers and forklifts, during the liquidation phase ($44,000, or 440 per cent)
- Repairs and maintenance under ground transportation ($749,400, or 621.4 per cent) including the refurbishment of 336 vehicles to be sent to the United Nations Logistics Base or other missions.

25. As UNAMSIL makes the transition to the liquidation phase, the number of aircraft will be reduced from 1 fixed wing and 13 rotary wing aircraft to 1 fixed wing and 2 rotary wing aircraft.

26. A projected increase of $44,400 (176.2 per cent) under non-training consultants is attributable mainly to the hiring of an infectious diseases specialist because of the increased number of cases/deaths from Lassa fever.

### Official travel

27. The Advisory Committee notes once again that the Mission incurred a significant cost overrun of $577,200, or 144.3 per cent, over the apportionment during the 2003/04 period for non-training-related official travel. From the additional information provided, the Committee notes that the additional

requirements were due mainly to increased travel within the Mission and for liaison meetings within the subregion, with the office of the Force Commander, the Manu River Union, the Economic Community of West African States, national and regional stakeholders, as well as with political leaders. At the same time, there is also a considerable amount of travel between the Mission and headquarters, in particular, for "technical support". **The requirement for increased technical support at this stage of the life-cycle of the Mission is not evident and should have been explained more fully. The Committee further notes with concern that a considerable number of trips were not planned and involved travel to distant places whose relevance to the work and operation of the Mission is not clear.**

28. The Advisory Committee is of the opinion that such extensive travel is not justified, especially in the context of a mission that is nearing liquidation, and that the travel budget should have been managed more cost-effectively. Furthermore, the Committee recalls that in its report on the proposed budget for the United Nations Mission in Sierra Leone for the period from 1 July 2003 to 30 June 2004 (A/57/772/Add.3, para. 31), it had considered the request for travel to be excessive, especially in light of the downsizing of the Mission, and had recommended that the travel budget be reduced and efforts made to rationalize travel.

## V. Activities/concerns of the Mission related to liquidation

### Asset disposal and environmental clean-up

29. The Advisory Committee was informed that the Asset Disposal and Environmental Protection Unit that was established at UNAMSIL last year is following up on all issues related to asset disposal and environmental clean-up in the areas vacated by the different entities of UNAMSIL. The Mission is also continuing to dispose of its written-off assets. A total of 2,410 non-expendable items, with an inventory value of $5.8 million, were disposed of from July 2004 to 31 March 2005, including 909 items valued at $2.1 million, by way of sale with a realization of $22,000. As part of the liquidation process, the Mission has prepared a draft liquidation plan, which has been submitted to the Department of Peacekeeping Operations for review.

30. The Advisory Committee was informed that the Mission is ensuring that all United Nations and contingent-owned equipment is disposed of in an environmentally friendly manner and that the local authorities issue certificates of clearance in this regard.

31. **The Advisory Committee notes that UNAMSIL is the first mission to have established an Asset Disposal and Environmental Protection Unit and requests the Department of Peacekeeping Operations to integrate the lessons learned from this experience into its best practices documentation for sharing with other missions.**

### High turnover of staff

32. UNAMSIL continues to experience a high turnover of staff and difficulties in retaining experienced staff at this juncture of its mandate. **This issue was already raised in the Advisory Committee's previous report (A/59/417, para. 19). The Committee reiterates its request to the Department of Peacekeeping Operations**

**to fully support UNAMSIL in maintaining appropriate levels of experienced staff during the important liquidation phase.**

**Oversight during the liquidation phase**

33. The Advisory Committee draws the attention of UNAMSIL to the heightened need for close oversight during the liquidation phase, which can be carried out by internal auditors. The Committee was informed that 1 P-5, 1 P-4 and 2 P-3 Professional posts as well as 1 General Service post are allocated to Office of Internal Oversight Services (OIOS) for UNAMSIL, but that not all these posts are filled at present. The Advisory Committee urges OIOS and UNAMSIL to coordinate closely to ensure that these positions are filled as rapidly as possible and to put into place proper oversight mechanisms for the final liquidation phase. Special attention should be paid to ensuring that all the activities related to liquidation are recorded and completed in strict application of United Nations Rules and Regulations and accepted practices, in a transparent manner.

**Pending death and disability cases**

34. **The Advisory Committee draws the attention of the Department of Peacekeeping Operations to the pending disability cases and requests UNAMSIL to ensure that these cases are settled expeditiously.**

## VI. Best practices/lessons learned

35. **The Advisory Committee requests the Department of Peacekeeping Operations at Headquarters to monitor the activities and experience acquired by UNAMSIL during the liquidation phase to draw the lessons learned for the benefit of other United Nations peacekeeping missions.** During its discussion with the representatives of the Secretary-General, the Committee was informed that the documentation of the experiences, best practices and lessons learned by UNAMSIL in all the areas of its operations would be an integral part of the liquidation phase and that close cooperation with Headquarters would be maintained throughout the process.

36. During its field visit to UNAMSIL in the summer of 2004, the Advisory Committee had noted with satisfaction the spirit of cooperation and common purpose emanating from the country team, which included a number of agencies working together on a wide variety of issues, such as the resettlement of displaced persons, refugees, disarmament, demobilization and reintegration, child protection, small arms, immunization campaigns and jobs for youth. These agencies are now poised to take over many UNAMSIL programmes once the Mission withdraws and to focus on economic and social development. This cooperation was facilitated through the co-location of all the agencies involved on common premises.

37. The experience of UNAMSIL shows that even though the primary focus of the Mission was on military tasks, such as monitoring the ceasefire and patrolling buffer zones between hostile parties, progress in a broad range of areas, such as disarmament, demobilization and reintegration, humanitarian relief, human rights, public information, reconstruction and recovery, elections, civil administration, civil affairs, justice, child protection and HIV/AIDS, was essential to achieve the central goal of peace and security. As the Mission is liquidating, it is increasingly clear that

the peace and security achieved can only be sustained if they are followed up with economic and social development.

38. **In the opinion of the Advisory Committee, one of the lessons learned is that the coordinated planning of all these activities from the outset with all the partners involved and close cooperation during their implementation would allow for a more cost-effective use of resources, increase the chance of a successful outcome and thereby allow planning for a realistic exit strategy.**

## VII. Conclusion

39. The actions to be taken by the General Assembly in connection with the financing of UNAMSIL for the period from 1 July 2005 to 30 June 2006 are indicated in paragraph 36 of the report of the Secretary-General on the budget for UNAMSIL for the period from 1 July 2005 to 30 June 2006 (A/59/758). **Taking into account its comments above, the Advisory Committee recommends acceptance of the Secretary-General's proposals.**

### Report of the Secretary-General on the proposed donation of assets to the Government of Sierra Leone (A/59/759)

40. From the report of the Secretary-General on the proposed donation of assets to the Government of Sierra Leone (A/59/759), the Advisory Committee notes that the inventory value of the assets of the Mission amount to some $71.9 million, of which 12 per cent, or $8.4 million, is proposed for donation to the Government Sierra Leone. The Committee was informed that UNAMSIL has prepared a preliminary assets disposal plan based on section IV of General Assembly resolution 49/233 A, which takes into account the recommendation of the Committee stipulating that the proposed transfer of assets to a host Government be submitted to the Committee and then to the General Assembly for review and approval (see A/55/874, para. 53).

41. The Mission has reviewed its asset holdings and identified assets that are no longer of serviceable value to the United Nations, but which could be of significant use to the Government of Sierra Leone in its ongoing capacity-building efforts, such as communications equipment, water purification equipment, data-processing and office equipment, generators, medical equipment, petrol tank and metering equipment, vehicles, refrigeration containers as well as prefabricated buildings. **The action to be taken by the General Assembly in connection with the donation of assets to the Government of Sierra Leone is indicated in paragraph 7 of the report of the Secretary-General on this subject (A/59/759). The Advisory Committee recommends acceptance of the Secretary-General's proposal.**

*Documentation*

- Performance report on the budget of the United Nations Mission in Sierra Leone for the period from 1 July 2003 to 30 June 2004 (A/59/635 and Corr.1)
- Budget of the United Nations Mission in Sierra Leone for the period from 1 July 2005 to 30 June 2006 (A/59/758 and A/59/635/Corr.1)
- Report of the Secretary-General on the proposed donation of assets to the Government of Sierra Leone (A/59/759)
- Report of the Advisory Committee on Administrative and Budgetary Questions on the proposed revised budget for the period from 1 July 2004 to 30 June 2005 of the United Nations Mission in Sierra Leone (A/59/417)
- General Assembly resolution 57/291 B on the financing of UNAMSIL
- Security Council resolutions 1562 (2004) and 1568 (2004)
- Twenty-first report of the Secretary-General on the United Nations Mission in Sierra Leone (S/2004/228)
- Twenty-third report of the Secretary-General on the United Nations Mission in Sierra Leone (S/2004/724)
- Progress report of the Secretary-General on ways to combat subregional and cross-border problems in West Africa (S/2005/86)